

Vincent W. Hatala, Jr.

15 Cardiff Road, Rehoboth Beach, DE 19971-3505 – Telephone (302) 226-3327
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December 13, 2007

Delaware Public Service Commission
861 Silver Lake Boulevard
Canon Building
Suite 100
Dover, DE 19904

RECEIVED
DEC 17 PM 1:40
DELAWARE P.S.C.

Bruce
Chair

As a director of Rehoboth Beach and Yacht Club POA, I have polled many of our 289 homeowners about whether to support Bluewater's program of wind powered electric generation. The vast majority of those polled are in favor of the environmentally safe proposal of using wind generation off the Delaware coast.

Yes! It will be costly to build the wind generation units off our coast. But, cost cannot be measured by the amount of money to get an advanced wind generation system built alone; without taking into consideration the following savings into the future:

1. Wind power is clean and safe to the environment and our citizens health. No generation of air pollution as by fossil fuel.
2. Wind power produces no mercury emissions and other air pollutants as fossil fuels that power generating units.
3. Wind power, once built, has only maintenance costs to add to the amortization of all construction and transmission costs.
4. Delmarva Power's costs will continually increase over the years as the cost of their fuel increases. Note the cost of crude oil today (over 85 dollars a barrel and rising as is the cost of coal and natural gas). All fossil fuel costs will rise in the future since the world demand is depleting sources of discovery of new oil and gas and will continuously pour carbon and other pollutants into our atmosphere.
5. I feel that Delmarva Power's arguments are specious and should not be considered in your evaluation of wind powered electric generation. Where are their guarantees that their fuel costs to operate their proposal will not increase. How much will the customers be asked to pay for their new plant auxiliary generator and the fuel to run it? If Delmarva Power (or its parent company, PEPCO) refuse to be a party to your original order to negotiate with Bluewater Wind then so be it; remove them from the equation and find some one else.

Vincent W. Hatala, Jr.
15 Cardiff Road
Rehoboth Beach, DE 19971

Vincent W. Hatala, Jr.

Chair
Bural

Timothy Parks
20894 Atlanta Road
Seaford, De. 19973
December 13, 2007

RECEIVED
2007 DEC 17 PM 1:40
DELAWARE P.S.C.

Arnetta McRae, Chair
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover Del. 19904

Dear Ms. McRae:

I am writing this letter in hopes that it will encourage you to support the use of wind power in Delaware.

I am saddened to hear that Delmarva Power and Light (DPL) is continuing their resistance to adopt this clean and renewable source of power. I think it clear that the people of Delaware (their mandated customers) are in favor of this wind farm. They, like me, believe it is not too late to do the RIGHT THING and take steps to slow (to late to stop) climate change. They understand the human activities are the primary reason for the change.

Although natural gas burns "clean" it still contributes to the carbon emissions. Wind does not. Although the price of natural gas is now stable it is not guaranteed to remain so. Wind is free. The delivery system for gas is subject to disruption, pipelines security, dangers with LPG tank ship, etc. Wind does not "blow-up".

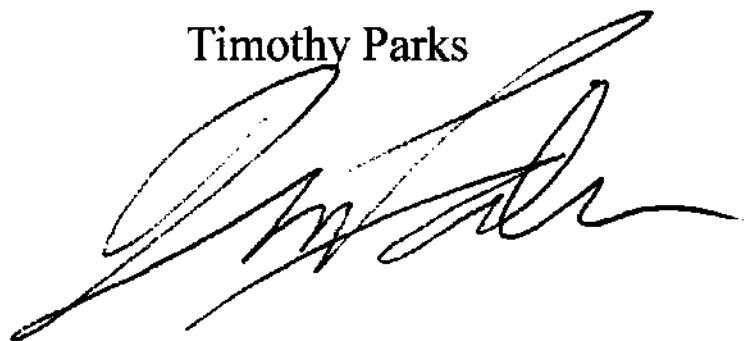
We don't expect utility companies, the investors, the gas vendors, the money makers to see this in a clear and objective manner. That is the purpose of the Public Service Commission, regulatory agency and legislative branches that work with them. We the people, the customers, the concern citizen, the people who want to leave a habitable planet to their heirs count on you to do the right thing.

Please consider this matter carefully. Please remember more is at stake than the profitability of a company. Please remember that more is at stake than low electric rates. Please remember our children and their children. Please do your part as all the people start down this new adventuresome trail of sustainable living. Please do the RIGHT THING.

Thank you very much for your time and consideration and I trust you will share my letter with your colleagues.

Thank you,

Timothy Parks



Nickerson Karen J (DOS)

From: Jeanne Comeau [jcomeau@gmail.com]
Sent: Monday, December 17, 2007 9:01 AM
To: Nickerson Karen J (DOS); Larson Russell T (LegHall); Davis Jennifer (OMB); Hughes John A. (DNREC)
Subject: Power Purchase Agreement

Over the past year, we have been following the progress--or lack thereof--of the studies and negotiations over the generation of alternative energy in Delaware. Like many Delaware citizens, we have contacted you before to urge the use of wind power. We do so again, as you approach another decision point in this process. Please approve the power purchase agreement between Delmarva Power and Bluewater Wind!

Bob and Jeanne Comeau
302 West Cape Shores Drive
Lewes DE 19958

12/17/2007

Nickerson Karen J (DOS)

From: Kevin Wilson [k.wilson@archalli.com]
Sent: Monday, December 17, 2007 9:02 AM
To: Nickerson Karen J (DOS)
Subject: Bluewater Wind proposal

Dear members of the Public Service Commission,

As a resident of Delaware and an Architect, I urge the members of the Public Service Commission to approve the latest proposal from Bluewater Wind to create an off shore renewable energy wind farm. Today, the vast majority of energy comes from finite fossil fuel sources. The evidence is now irrefutable that burning fossil fuels is a primary contributor to harmful greenhouse gases. It is critical that we act now as stewards of our environment and begin to reverse the effects of CO2 in our atmosphere. What a terrific opportunity for Delaware to take a leading role in energy independence and climate change.

Please vote to accept the Blue Water Wind proposal.

Sincerely,
Kevin Wilson, AIA
Hockessin, Delaware

Kevin W. Wilson, AIA
Architectural Alliance, Inc.
k.wilson@archalli.com
t 302.478.3777
f 302.478.9577

12/17/2007

Nickerson Karen J (DOS)

From: janetkoch@comcast.net
Sent: Monday, December 17, 2007 11:27 AM
To: Nickerson Karen J (DOS)
Subject: wind farm

Please vote for the wind farm. It is so important to the future of our world. We can't continue to use fossil fuels that pollute the air and the water. Delaware residents deserve to have a clean environment and not be afraid of floods caused by global warming created by power plants and other man-made emissions. Wind is free of chemicals that may cause increases in cancer and autism which have a heavy incidence near the Indian River power plant. I'm hoping to hear that the agencies meeting tomorrow will vote in favor of the Bluewater Wind proposal.

Sincerely,
Chuck and Janet Koch
27 Fox Creek Drive
Rehoboth Beach, DE 19971
Dec. 17, 2007

Nickerson Karen J (DOS)

From: BERNIE LAZARUS [bbl51@yahoo.com]
Sent: Monday, December 17, 2007 11:49 AM
To: Nickerson Karen J (DOS)
Subject: WIND POWER

IF WE ARE TO GO FORWARD PLEASE SEE THAT :

THAT THIS IS NO ARBITRATION CLAUSE IN THE CONTRACT
THAT THERE BE INSURANCE FOR OUR MONEY/RESULTS
THAT THERE BE AN EVERGREEN CLAUSE THAT GUARANTEES THAT WE WILL PAY THE
LOWEST RATE FOR ELECTRICITY FOR THE LIFE OF THE FARM.

BERNARD LAZARUS 302-478-0521

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12/17/2007

Nickerson Karen J (DOS)

From: Perry Mitchell [pmitchell@mchsi.com]
Sent: Monday, December 17, 2007 12:31 PM
To: Nickerson Karen J (DOS)
Subject: approval for wind power
Attachments: Firestone-Kempton comment on IC and Staff Reports 16 December 2007 (2).pdf

Consumers For Alternate Power believes that the Bluewater wind project should be approved. However, we do not approve of the contingency of spreading the cost to all ratepayers, at this time. We support the Firestone-Kempton comment which is attached.

Perry J. Mitchell
For Consumers For Alternate Power.

12/17/2007

Nickerson Karen J (DOS)

From: Patricia Gearity [gearitylaw@earthlink.net]
Sent: Monday, December 17, 2007 1:17 PM
To: Nickerson Karen J (DOS)
Subject: Gearity comment on Staff Report dated December 14, 2007 - Bluewater Wind PPA

Attachments: Gearity PSC Staff Report comment 121707.doc



Gearity PSC Staff
Report comme...

Ms. Nickerson,

Please file the attached in the public record of PSC Docket No. 06-241.
Thank you.
Patricia Gearity, PO Box 96, Harbeson, Delaware 19951

December 17, 2007

Arnetta McRae, Chair
Delaware Public Service Commission
861 Silver Lake Blvd
Cannon Building, Suite 100
Dover DE 19904
Email: Karen.Nickerson@state.de.us

Jennifer W. Davis, Director
Office of Management & Budget
Haslet Armory, Third Floor
122 William Penn St.
Dover DE 19901
Email: jennifer.davis@state.de.us

John Hughes, Secretary
Delaware Department of Natural
Resources
89 Kings Highway
Dover DE 19901
Email: john.hughes@state.de.us

Russell T. Larson
Controller General
P.O. Box 1401
Legislative Hall
Dover DE 19903
Email: russell.larson@state.de.us

Dear Chair McRae & Commissioners, Director Davis, Secretary Hughes and
Controller General Larson:

I would like to thank the PSC staff for their fine work on the Recommendations filed December 14, 2007. I agree that the Bluewater Wind bid offers the "greatest long-term benefits in the most cost-effective manner." I also agree that "Price stability – the primary goal of the EURCSA – is a primary attribute of the Bluewater-Delmarva PPA." Staff Report at 9.

My greatest concern with the Report is Staff's recommendation to approve the PPA with a "condition precedent," holding the contract in abeyance pending a decision regarding a "non-bypassable surcharge" to all Delmarva Power customers. The report assumes, in my view incorrectly, that it is necessary to condition approval of the contract on cost allocation in order to address the fairness issue raised by Commissioner Clark and others.

I am not a Delaware attorney or a regulatory attorney. I am a non-practicing, former Maryland attorney. However, by common definition, the "condition-precedent" language at this point in time makes the proposed PPA, and all terms therein, completely non-binding and unenforceable. You can't act legally on the terms of a contract which cannot be finalized unless a stated condition is met. To hold the PPA in limbo during surcharge proceedings is disadvantageous to Buyer and Seller, but more so to Seller, Bluewater Wind. Further, without a finalized wind contract, the PSC will be hindered in its ability to exact the best possible deal for the back-up gas plant (if they proceed with negotiations at all), due to uncertainty about the ultimate survival of the wind project.

It is definitely possible to address the "fairness" issue (cost-sharing across DPL or state-wide) but I believe it must be done in a logical sequence, or the wind farm proposal could be destroyed in a Gordian knot of competing interests,

through no fault of its own. I believe EURCSA, 29 Del. Code §1010c provides the answer (my bold below):

§ 1010. Electric distribution companies' obligation to serve customers.

(c) After hearing and a determination that it is in the public interest, the Commission is authorized to restrict retail competition and/or add a nonbypassable charge to protect the customers of the electric distribution company receiving standard offer service. The General Assembly recognizes that electric distribution companies are now required to provide standard offer service to many customers who may not have the opportunity to choose their own electric supplier. Consequently, it is necessary to protect these customers from substantial migration away from standard offer service, whereupon they may be forced to share too great a share of the cost of the fixed assets that are necessary to serve them as required by the Electric Utility Retail Customer Supply Act of 2006, 75 Del. Laws, c. 242. (72 Del. Laws, c. 10, § 3; 74 Del. Laws, c. 73, §§ 4, 5; 75 Del. Laws, c. 242, § 8.)

Section 1010c above states the purpose of the nonbypassable charge is to "protect" the customers from "substantial migration" as the result of a increased rates which could compel others to leave Delmarva Power for another supplier of power. There is no language in the statute to allows the Commission to condition approval of a contract on a surcharge hearing. In fact, doing so is unnecessary at this time, and would not be in the best interests of Delmarva Power SOS customers since it could doom the Bluewater Wind project under the weight of protracted litigation from numerous sources.

The wise and correct path is to proceed logically, gathering more facts about the gas plant hybrid, but doing so after the contract is approved on December 18, 2007.

- a) The Agencies must decide whether or not negotiations should proceed with Conectiv and NRG, the method (mediation, arbitration or both), and what the time frame will be for those negotiations.
- b) If negotiations go forward at this time (and I personally do not support that idea, preferring to see data later from Bluewater establishing that a new gas plant is even needed), at their conclusion, the Independent Consultant would then re-run the numbers for ratepayer impact, inputting NRG/Conectiv's "best offers" into BWW/gas plant model, to obtain the most accurate and most reliable data showing updated ratepayer impact numbers.
- c) The Agencies determine if now is the time to approve or not approve construction of a new back-up gas plant, or if not, when it is appropriate to make that determination.

- d) The Agencies determine to approve or disapprove a back-up gas plant, or make other determinations based on the outcome of negotiations with Conectiv and NRG.
- e) Only after these steps are concluded should the Agencies or Commission decide if a hearing should be held pursuant to Section 1010c.

NRG and Conectiv cannot compete in negotiations with certainty - or vigor - if the Bluewater Wind contract is held in limbo and vulnerable.

Should the Legislature decide to address sharing of costs by all ratepayers statewide, this will require an amendment to EURCSA. It is likely such proposed legislation will meet encounter strong opposition from cooperatives and municipal electrical companies. While that issue is making its way through the Legislature, if the PPA has not been approved, BWV will be prevented from obtaining financing, securing subcontracts, filing permitting applications and generally moving forward. Termination provisions and timelines for resolution of the surcharge (included in the proposed PPA) will be completely non-binding and unenforceable, since there is no binding contract in the first place.

Bluewater Wind has spent in excess of \$6,000,000 to date on this bid process. I expect the taxpayers will be billed more than \$1,000,000 in total for the Commission's twelve months of work on the Delmarva Power RFP. To make the company wait one more day on a final decision is unfair, prejudicial, and potentially fatal to BWV's ability to deliver long-term, instate, clean, price-stable renewable energy to Delaware.

Time is of the essence for a decision to be made, one way or the other, on the Bluewater Wind contract, with no pre-conditions or contingencies. Some say we should not commit to the project without knowing "who will pay for it." We know who will pay for it. EURCSA states Delmarva Power SOS customers will pay for it. Now that the cost is down to \$6.46 MWhr per customer per month, in seven years this number will be seen as a tremendous saving. We saw Delmarva SOS ratepayer bills climb an average of 10% per year from 1999-2005 (59% ratepayer hike in six years, resulting in HB6/EURCSA). There is no reason to think prices will go down for natural gas, coal or oil in the next seven years.

Please approve the Bluewater Wind PPA tomorrow, with no strings attached. Thank you for your consideration.

Respectfully yours,

Patricia E. Gearity, Harbeson, Delaware, Individually and on behalf of Citizens for Clean Power, Lewes, Delaware

Nickerson Karen J (DOS)

From: Marc Weiss [marcallanweiss@yahoo.com]
Sent: Monday, December 17, 2007 2:39 PM
To: Nickerson Karen J (DOS)
Subject: Approve PPA Now, Without Conditionality

December 17, 2007

Arnetta McRae, Chair
c/o Karen Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Dear Ms. McRae:

On November 3, 2007, we helped organize a Step It Up rally on the Boardwalk at Rehoboth Avenue in support of Bluewater Wind's proposed offshore wind energy project to be built in the Atlantic Ocean nearly 12 miles off the coast of Rehoboth Beach. The resounding message of the 150 people attending the rally, which was repeated in thousands of emails and letters to the Delaware Public Service Commission, and in the testimony of 21 witnesses to the PSC testifying at the public hearing on November 20, was as follows (excerpted from our November 3 citizens' leaflet):

Delaware can become the first state to build offshore wind power.

Opponents of wind energy want to stop the Bluewater Wind project.

Tell our State Government we want them to complete the agreement now and make offshore wind power a reality in Delaware.

Here's why we need wind energy in Delaware:

The Bluewater offshore wind power project will produce 13 percent of Delaware's electricity. This energy is clean, safe, independent, non-polluting, non-greenhouse gas emitting, economically stable, cost-efficient, and very dependable over the long-term. Generating offshore wind energy will help prevent the tragedy of global warming and keep our coastal and waterfront areas from being flooded and destroyed. We won't need to go to war or pay \$95 per barrel for wind power. It will save Delaware citizens \$750 million on health care costs currently caused by pollution from burning fossil fuels.

We highly commend you and your colleagues on the Public Service Commission (PSC), the Office of Management and Budget (OMB), the Department of Natural Resources and Environmental Control (DENREC), and the Controller General's Office for your leadership and wisdom in responding so positively to the citizens of Delaware and ordering Delmarva Power and Bluewater Wind to complete the Power Purchase Agreement (PPA) by December 10 so that it can be approved by you on December 18. We firmly believe that the December 14 report of the PSC staff makes a clear and strong argument in favor of approving the PPA in terms of sound State Government policy as articulated by Governor Ruth Ann Minner together with the stated intent of the Delaware Legislature in passing the Electric Utility Retail Customer Supply Act of 2006 (H.B. 6). The PPA definitively fulfills the key public policy goals of electricity price stability, hedging against future fossil fuel energy price spikes, fuel diversity, promotion of significant environmental benefits (reducing air pollution and greenhouse gas emissions), improved reliability, and a new Delaware capacity source that can also generate significant economic development benefits in terms of income, employment, and business growth. Moreover, since the PSC staff report on October 28, Bluewater Wind has substantially strengthened the PPA by assuming the risks of commodity and construction cost increases, by significantly lowering the electricity

prices to be paid by Delmarva Power, and by agreeing to provide Delmarva Power with a greater range of energy credits.

Accordingly, we urge the PSC, OMB, DENREC, and the Controller General's Office to vote unanimously to approve the Power Purchase Agreement as it currently stands on December 18, and to order Delmarva Power & Light Company to honor this agreement. If there are any unresolved issues still remaining after the active intervention by Professor Hamermesh, we urge you to resolve such issues at your December 18 meeting and complete the legal agreement without any further delay.

As former Governor Russell Peterson so eloquently stated in his PSC testimony on November 20, the future of Delaware's economy and environment depends on building the offshore wind energy project, so that Delaware's citizens and businesses will have both a stable and reliable source of in-state electricity, and so that our state will have clean air that supports public health and prevents the potential tragedy of climate change.

It is vital to approve the PPA in order to enable Bluewater Wind to obtain federal and state regulatory permits and construction financing to begin building the wind turbine project as soon as possible.

Therefore, we urge you and your colleagues to table the PSC staff suggestion concerning further spreading out the electricity costs beyond the SOS ratepayers as specified in EURCSA. The current PPA is an excellent arrangement for the citizens of Delaware, as clearly documented by the overwhelming citizen support in favor of the offshore wind energy project. Delaware citizens are more than willing--indeed they are eager--to pay for clean, renewable energy generated from within our own state. If the Delaware State Government chooses to further involve additional ratepayers, this action can be taken by new legislation to be passed within the next few years, well before the offshore wind energy project is completed and sending electric power to the grid. There is absolutely no reason to delay approval of the PPA, or to make it conditional, on December 18. Such action would be completely counterproductive, as it would certainly delay the project, and perhaps even cause it to be ultimately terminated due to increased risk and uncertainty. Adding risk and uncertainty is both bad business practice and bad public policy.

Please heed the urgent call of Delaware's citizens by fulfilling your mandate to unanimously approve the Power Purchase Agreement, exactly as it is currently written, when you meet to vote on December 18. Thank you very much!

Sincerely,

Marc Weiss and Nancy Sedmak-Weiss
10 Wilmington Avenue
Rehoboth Beach, DE 19971
(302) 226-2667

Never miss a thing. Make Yahoo your home page.
<http://www.yahoo.com/r/hs>